

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND**

STATE OF RHODE ISLAND, et al.,

Plaintiffs,

v.

C.A. No.:

DONALD J. TRUMP, et al.,

Defendants.

DECLARATION OF ELIZABETH “ELISSA” SANGALLI

Pursuant to 28 U.S.C. § 1746, I, Elizabeth “Elissa” Sangalli, hereby declare as follows:

1. I am a resident of the State of Michigan. I am over the age of 18 and have personal knowledge of all the facts stated herein, except to those matters stated upon information and belief; as to those matters, I believe them to be true. If called as a witness, I could and would testify competently to the matters set forth below.

2. I am currently employed by Northern Great Lakes Initiatives (d/b/a Northern Initiatives) as Chief Executive Officer.

3. Northern Great Lakes Initiatives is a Michigan not for profit corporation which, among other things, assists entrepreneurs and small businesses with access to capital and technical assistance.

4. In 2023, Northern Great Lakes Initiatives as the lead recipient was awarded a four- year cooperative agreement grant totaling \$3,000,000 (“MBDA Award”) under the U.S. Department of Commerce Minority Business Development Agency (“MBDA”) Capital Readiness Program, Fiscal Year 2023 Notice of Funding Opportunity Number MBDA-OBD-2023-200775 (“NOFO”) as authorized by Section 3009(e)(2) of the Small Business Jobs Act of 2010, as amended by the American Rescue Plan Act of 2021 (codified at 12 U.S.C. § 5708(e)(2)).

5. According to the NOFO, the MBDA Capital Readiness Program is designed to help close the entrepreneurship gap between socially and economically disadvantaged

individuals (SEDI) and non-SEDI by providing technical assistance for entrepreneurs starting or scaling their businesses who are seeking various forms of capital.

6. Also according to the NOFO, the MBDA specifically expects the MBDA Capital Readiness Program “to serve SEDI-owned businesses that are applying, have previously applied, or plan to apply to an State Small Business Capital Initiative (SSBCI) capital program or other government program that supports small businesses.”

7. Upon information and belief, for the MBDA Capital Readiness Program, a SEDI-owned business is:

a) a business that is owned and controlled by individuals or whose current majority founders are individuals who have had their access to credit on reasonable terms diminished compared to others in comparable economic circumstances, due to their:

- (1) membership in a group that has been subjected to racial or ethnic prejudice or cultural bias within American society;
- (2) gender;
- (3) veteran status;
- (4) limited English proficiency;
- (5) disability;
- (6) long-term residence in an environment isolated from the mainstream of American society;
- (7) membership in a federally or state-recognized Indian Tribe;
- (8) long-term residence in a rural community;
- (9) residence in a U.S. territory;

(10) residence in a community undergoing economic transitions (including communities impacted by the shift towards a net-zero economy or deindustrialization); or

(11) membership in an underserved community.

b) a business enterprise that certifies that it is owned and controlled by individuals whose residences are in Community Development Financial Institution (CDFI) Investment Areas, as defined in 12 C.F.R. § 1805.201(b)(3)(ii);

c) a business enterprise that certifies that it will build, open, or operate a location in a CDFI Investment Area, as defined in 12 C.F.R. § 1805.201(b)(3)(ii); or

d) a business enterprise that certifies that it is located in a CDFI Investment Area, as defined in 12 C.F.R. § 1805.201(b)(3)(ii).

8. According to the NOFO, the MBDA Capital Readiness Program, as is set forth in 12 U.S.C. § 5708(e)(2), is expected to serve SEDI-owned businesses that plan to apply, previously applied, or are applying to a State Small Business Credit Initiative or other government program that supports small businesses.

9. I submit this declaration in connection with Executive Order 14,238, “Continuing the Reduction of the Federal Bureaucracy,” which directed seven federal agencies, including the MBDA, to eliminate the non-statutory components and functions to the maximum extent consistent with applicable law, and to reduce the performance of the statutory functions and associated personnel to the minimum presence and function required by law.

10. Upon information and belief, the MBDA is the primary federal agency tasked to assist minority-owned business enterprises (MBEs) in overcoming the history of social and economic disadvantage that has limited their participation in America’s economy.

11. Pursuant to the MBDA Award, Northern Great Lakes Initiatives provides capital readiness programming to SEDI entrepreneurs and SEDI-owned businesses.

12. Pursuant to the MBDA Award and consistent with 12 U.S.C. § 5708(e)(2), Northern Great Lakes Initiatives capital readiness program services include technical assistance to SEDI entrepreneurs and SEDI-owned businesses, which helps them find and access sources of capital, understand business cash flow, develop business plans, and manage capital.

13. The technical assistance provided by Northern Great Lakes Initiatives under the MBDA Award helps prepare SEDI-owned businesses to access loans and other financial products.

14. In providing those services, Northern Great Lakes Initiatives is assisted by the MBDA's provision of funds under the MBDA Award.

15. In my opinion, the MBDA Award is critical for the development of SEDI-owned businesses in Michigan because the funding allows Northern Initiatives to provide technical assistance to SEDI entrepreneurs and SEDI-owned businesses it would not otherwise be able to serve, including to the more than 100 small businesses per year which receive services from Northern Initiatives supported by the MBDA Award.

16. Northern Great Lakes Initiatives' annual budget relies on the MBDA Award funding, as it allocated resources, developed programs, and hired staff based on the anticipated receipt of such funding.

17. Any pause or elimination of MBDA Award funding likely would cause Northern Great Lakes Initiatives to lay off staff who are providing services to SEDI entrepreneurs and SEDI-owned businesses.

18. Any pause or elimination of MBDA Award funding likely would cause Northern Initiatives to reduce its capital readiness programming, including the number of workshops and one-on-one technical assistance.

19. The MBDA Award is Northern Great Lakes Initiatives' first and only grant with the MBDA.

20. Upon information and belief, Northern Initiatives is in compliance with the MBDA Award and required reports for the first year of the MBDA Award were submitted on time by Northern Initiatives and accepted by the MBDA.

21. Over the next 29 months (MBDA Award to Northern Initiatives ends on August 31, 2027), Northern Initiatives as the lead recipient is scheduled to receive disbursements/reimbursements from MBDA under the MBDA Award in an amount totaling \$1,875,000.

22. If Northern Initiatives does not receive the remaining disbursements/reimbursements under the MBDA Award, Northern Initiatives' ability to serve SEDI entrepreneurs and SEDI-owned businesses will be restricted and Northern Initiatives will be forced to reduce its personnel.

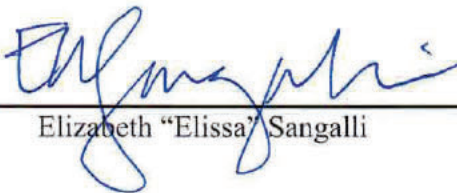
23. Upon information and belief, on or about February 28, 2025, Northern Initiatives' MBDA program officer's contract was not renewed.

24. In early March 2025, Northern Initiatives was informed that the MBDA Capital Readiness Program Team was reduced to three people; and Northern Initiatives has received limited communications from MBDA since that time.

25. If the MBDA ceased to function in a meaningful way, in my opinion, hundreds of SEDI entrepreneurs and SEDI-owned small businesses would not receive access to the technical

assistance and financial tools that could help them access capital and succeed. I expect this would negatively impact the State of Michigan's economic development efforts.

I declare under penalty of perjury under the laws of the United States that, to the best of my knowledge, the foregoing is true and correct. Executed on April 3, 2025, at Grand Rapids, Michigan.



Elizabeth "Elissa" Sangalli